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USWEST

Cyndie Eby
Executive Director-
Federal Regulatory

EX PARTE

October 17, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222, SC-1170
Washington, DC 20554

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OCT 17 1996

Federal Communications Commission
Office of Secretary

RE: CC Docket No. 96-149
Implementation of the Non-Accounting Safeguards of
Sections 271 and 272 of the Communications Act of 1934, as amended;
and Regulatory Treatment of LEC Provision of Interexchange Services
Originating in the LEC's Local Exchange Area

Dear Mr. Caton:

Today, October 17, 1996, U S WEST representatives met with representatives of the Policy and Program Planning Division to discuss the above-referenced proceeding. The attached hand-out relative to the classification of LECs and their affiliates as dominant or nondominant carriers was used during the meeting.

The Policy and Program Planning Division was represented by Craig Brown, Attorney; Patrick DeGraba, Industry Economist; Susan McMaster; Brent Olson and Staci Pies.

U S WEST was represented by Judy Pepler, Director, U S WEST Long Distance; Sondra Tomlinson, Senior Attorney; and Cyndie Eby, Executive Director, Federal Regulatory.

In accordance with Commission Rule 1.1206(a)(2), the original and one copy of this letter, with attachment, are being filed with your office for inclusion in the public record. Acknowledgment and date of receipt of this transmittal are requested. A duplicate of this letter is attached for this purpose.

Please contact me should you have any questions regarding this matter.

Sincerely,

Cyndie Eby

Attachments

cc: Mr. Craig Brown
Mr. Patrick DeGraba
Ms. Susan McMaster
Mr. Brent Olson
Ms. Staci Pies

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EX PARTE CONTACT ON DOMINANCE ISSUE

CC Docket No. 96-149

USWEST
10/17/96

◆ BOC in-region interLATA affiliates will not be able to exercise market power in the interLATA market:

- NO ability to raise prices
- NO ability to exclude entry
- NO ability to engage in predation

◆ Interconnection rules and other safeguards
prevent BOCs from leveraging any market
power they may possess in the local
exchange market into the in-region interLATA
market:

- Pricing based on cost
- Unbundling of network elements
- Resale
- Number portability, dialing parity and
access to rights of way

- ◆ DOJ advocated classifying BOC affiliates as non-dominant
- ◆ Dominant carrier regulation is not in the public interest:
 - No clear need
 - Imposes costs and regulatory burden
 - Gives BOC competitors unfair advantages